

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN

LBUBS 2007-C2 TOWNE CENTER ROAD,
LLC, a Michigan Limited Liability Company,

Case No.2:09-CK-13249-TLL-CEB

Plaintiff

Honorable Thomas L. Ludington

-vs-

SAGINAW SH-MG, LLC, SAGINAW SH-KG, LLC,
SAGINAW SH-AGA, LLC, SAGINAW SH-JY, LLC,
SAGINAW SH-MK, LLC, SAGINAW SH-BS, LLC,
SAGINAW SH-BB, LLC, SAGINAW SH-FA, LLC
and SAGINAW SH-MGR, LLC, all Delaware Limited
Liability Companies,

Defendants

RECEIVER'S REPORT FOR SEPTEMBER, 2009

COMES NOW Hostmark Hospitality Group, the Court Appointed Receiver in the above-entitled action, pursuant to an Order of Appointment dated August 6, 2009, and reports to the Court as follows:

1. On August 7, 2009, employees of Hostmark Hospitality Group, under the direction of the Receiver, took over control and management of the Four Points by Sheraton, Saginaw, MI.
2. The income and disbursement for the month of operation during September was:

Income:

Gross Revenues: \$191,624.

Disbursements: \$185,662.

Total Profit: \$ 5,962.

Occupancy 60.68%
Average Daily Rate \$68.12

3. A comparison of the performance of the Property for the month of September 09 against that of September 08 shows the following:

	Sept 09	Sept 08
Occupancy	60.68%	68.73%
ADR	\$68.12	\$70.95
RevPAR	\$41.33	\$48.76

These numbers reflect that Saginaw, like the economy throughout the United States, is suffering a reduction in demand resulting in lowered occupancy. However, the Four Points is showing an 13.2% drop in occupancy which is far greater than the national average according to Smith Travel Report of 7% for this hotels segment: Upscale. We believe that the Owners having directed that the sales team perform shifts at the Front Desk instead of being outside the hotel selling had a negative impact on the occupancy above the national norm.

Gross Revenue	\$191,624	\$258.820
Gross Operatg Profit	\$ 33,365	\$ 46,158

Having \$67,196. less in revenue (26%) from September 09 resulted in a loss of Gross Operating Profit of only \$12,793 (26.7%). Since the industry norm is to lose substantially more Profit as revenues decline, the introduction of Hostmark cost savings efficiencies kept the loss of Gross Operating Profit at a manageable level.

4. There should be opportunity to address the capital deficiencies at the hotel during the months of November through March, 2010, when occupancy is lower.
5. Accompanying this report for all future months will be submission of the profit and loss statement for the operation of the hotel according to the Uniform System of Accounts (Hotels) 9th amended addition.
5. There have been no changes in the assets or claims made against the estate.

RESPECTFULLY SUBMITTED

Hostmark Hospitality Group
RECEIVER



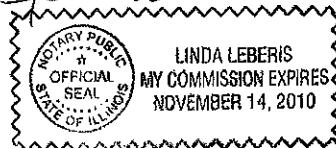
Robert J. Cataldo, Vice Chairman

County of Cook)
State of Illinois)

Comes Now the undersigned, a Notary Public in and for the State of Illinois who states that before me appeared Robert J. Cataldo, who being duly sworn and deposed stated that all of the information contained in the Initial Receiver's Report was true and correct to the best of his knowledge.

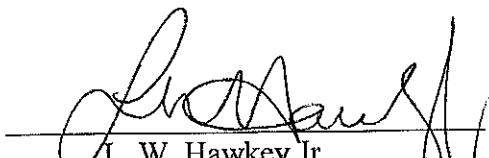

Notary Public

Dated 11-9-09


LINDA LEBERIS
MY COMMISSION EXPIRES
NOVEMBER 14, 2010

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the following parties of record by First Class United States mail, postage prepaid, this 9th of November, 2009.


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